

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6339

BILL NUMBER: SB 203

DATE PREPARED: Nov 15, 2001

BILL AMENDED:

SUBJECT: Responsible Retail Permittee Program.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Alcohol and Tobacco Commission to establish an alcohol server training program. It requires the Commission to consider a retail permittee's certification in the program in the mitigation of administrative penalties or fines for an employee's illegal sale or service of an alcoholic beverage to an underage or intoxicated person.

Effective Date: July 1, 2002.

Explanation of State Expenditures: It is estimated that the Commission would need to hire between six and eight additional excise officers to fulfill the requirements of this bill. The salary and fringe benefits for each of the officers would be approximately \$35,000 in the first year and approximately \$38,000 in the second year. If six additional officers were hired, the total cost would be \$210,000 in FY 2003 and \$228,000 in FY 2004; eight additional officers would cost \$280,000 in FY 2003 and \$304,000 in FY 2004.

This bill does not contain an appropriation. The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions. The ATC currently has 61 excise officer positions and none are vacant. The ATC also plans to add six new officers by the beginning of 2002. These officers, as well as seven others hired by the ATC during the summer of 2001, are part of a tobacco enforcement program funded by the Tobacco Use Prevention and Cessation Board.

Background Information: Approximately 6,000 retail establishments would be impacted by this bill. While all the bartenders and wait staff employed in these establishments would be required to participate in the

training program, the exact number of employees is unknown. There are approximately 90,000 ATC Employee Permit holders in the state. The permit is required of all clerks in liquor stores, bartenders, wait staff, and managers of establishments that serve alcoholic beverages by the drink.

Under the bill, affected retailers are required to ensure that employees receive training within 45 days of starting work and have a refresher course at least once every two years. (Wait staff serving alcohol under the age of 21 are currently required to receive training before they are employed). ATC excise officers currently provide a free voluntary training to approximately 3,000 retailers each year. In addition to the training offered by the ATC, there are several private companies that provide server training. The number of employees trained by the services is unknown.

Explanation of State Revenues: The bill allows the Commission to fine, suspend, or revoke the permits of the affected retailers and employees for failing to comply with the bill's provisions. The bill also requires the ATC to consider a retailer's participation in the server training program when assessing administrative penalties and fines for an employee's illegal sale or service of an alcoholic beverage to an underage or intoxicated person. Civil penalties for violations of the ATC's rules are deposited in the Commission's Enforcement and Administration Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Alcohol and Tobacco Commission.

Local Agencies Affected:

Information Sources: Don Okey, Alcohol and Tobacco Commission, 232-2463.